

### United States Department of the Interior

**BUREAU OF LAND MANAGEMENT** Montana State Office 5001 Southgate Drive, P.O. Box 36800 Billings, Montana 59107-6800 http://www.mt.blm.gov/



MTM 92643

### **Notice of Competitive Lease Sale** Oil and Gas

July 29, 2003

The Montana State Office is holding a competitive oral sale of Federal lands in the States of Montana and North Dakota for oil and gas leasing. We are attaching a list that includes the parcel numbers, legal land descriptions and corresponding stipulations. The list is available on the Internet at: http://www.mt.blm.gov/oilgas.

### When and where will the sale take place?

When:

The competitive sale begins at 9:00 a.m. on Tuesday, July 29, 2003. The sale room

opens at 8:00 a.m. for registration and assignment of bidder numbers.

Where:

We will hold the sale at the Bureau of Land Management, Montana State Office, 5001

Southgate Drive, Billings, Montana. Parking is available.

Access:

The sale room is accessible to persons with disabilities. If you need a sign language interpreter or materials in an alternate format, please tell us no later than one week before

the sale. You may contact Elaine Kaufman at (406) 896-5108 or Joan Seibert at

(406) 896-5093.

### How do I register as a bidder?

Before the sale starts, you must complete a bidder registration form to obtain a bidding number. The forms are available at the registration desk.

### What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- the auctioneer offers the parcels in the order they are shown on the attached list;
- registered bidders make oral bids on a per-acre basis for all acres in a parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum \$2.00 bid;
- the decision of the auctioneer is final; and
- names of high bidders (lessees) remain confidential until the results list is available.

If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.48 acres requires a minimum bid of \$202 (101 acres x \$2).

If the United States owns less than 100 percent of the oil and gas rights in a parcel, we will issue the lease for the percentage of interest the United States owns. You must calculate your bid and advance rental payment on the gross acreage in the parcel. For example, if the U.S. owns 50 percent of the oil and gas in a 100.48 acre parcel, the minimum bid is \$202 (101 acres x \$2) and the advance rental due is \$151.50 (101 acres x \$1.50).

What conditions apply to the lease sale?

- Parcel withdrawal or sale cancellation: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw parcels or cancel a sale, we will post a notice in our Public Records and Information Center and announce the withdrawn parcels at the sale.
- Lease terms: Leases issue for a primary term of 10 years. They continue beyond the primary term as long as the lease is producing in paying quantities or receiving production from another source. Rental is \$1.50 per acre for the first 5 years (\$2 per acre after that) until production begins. Once a lease is producing, we charge a royalty of 12.5 percent on the production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later edition).
- Stipulations: Some parcels are subject to surface use restrictions or conditions affecting how you conduct operations on the lands. The stipulations become part of the lease and replace any inconsistent provisions of the lease form.
- Bid form: On the day of the sale, successful bidders must submit a properly completed lease bid form (Form 3000-2, October 1989 or later edition) along with their payment. The bid form is a legally binding offer to accept a lease and all its terms and conditions. When the prospective lessee or an authorized representative signs the bid form, they certify the lessee meets the conditions of 43 CFR 3102.5-2 and complies with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of bidders, and collusion among bidders. You cannot withdraw your bid.

### • Payment:

• minimum due by 4:00 p.m. on day of sale:

Bonus bid deposit of \$2.00 per acre or fraction thereof;

First year's rent of \$1.50 per acre or faction thereof except for future interest parcels; and \$75 nonrefundable administrative fee

• remaining balance due by 4:00 p.m. August 12, 2003

If you don't pay in full by this date, you lose the right to the lease and all the money you paid the day of the sale. We may offer the parcel in a future sale.

- Method of payment: You can pay by:
  - personal check;
  - certified check;
  - money order; or
  - credit card (Visa, Mastercard, American Express or Discover).

Make checks payable to: **Department of the Interior-BLM.** We do not accept cash. If you previously paid us with a check backed by insufficient funds, we will require a guaranteed payment, such as a certified check.

• Lease issuance: After we receive the bid forms and all monies due, we can issue the lease. The lease effective date is the first day of the month following the month we sign it. We can make the lease effective the first day of the month in which we sign it, if you ask us in writing before we sign the lease.

### How can I find out the results of this sale?

We post the sale results in our Public Records and Information Center and the Internet at: http://www.mt.blm.gov/oilgas. You can buy a \$5/\$10 printed copy of the results list from the Public Records and Information Center.

### How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid and are not subject to a pre-sale offer are available for a two-year period beginning the day after the sale. To file a noncompetitive offer, you must submit:

- three copies of standard lease form (Form 3100-11, June 1988 or later edition) with lands described as specified in our regulations at 43 CFR 3110.5;
- \$75 nonrefundable administrative fee; and
- first year's advance rental (\$1.50 per acre or fraction thereof)

Place offers filed on the day of the sale and the first business day after the sale in the drop box in the Public Records and Information Center. We consider these offers simultaneously filed. When a parcel receives more than one filing by 4 p.m. on the day after the sale, we will hold a drawing to determine the winner. Offers filed after this time period, receive priority according to the date and time of filing in this office.

### How do I file a noncompetitive pre-sale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive pre-sale offer for lands that:

- are available; and
- have not been under lease during the previous one-year period; or
- have not been in a competitive lease sale within the previous two-year period.

Once we post a competitive sale notice, you cannot file a pre-sale offer for lands shown on the notice.

To file a pre-sale offer, you must submit:

- three copies of standard lease form (Form 3100-11, June 1988 or later edition) with lands described as specified in our regulations at 43 CFR 3110.5:
- \$75 nonrefundable administrative fee; and
- first year's advance rental (\$1.50 per acre or fraction thereof)

If we don't receive a bid at the sale for the parcel(s) contained in your pre-sale offer, we will issue the lease. You can withdraw your offer prior to the date we sign your lease. Your pre-sale offer is your consent to the terms and conditions of the lease, including any additional stipulations advertised in the Competitive Sale Notice.

# Where can I obtain information pertaining to the individual Forest Service Stipulations? The applicable Forest Service Environmental Impact Studies (EIS) describe stipulations for parcels located within the administrative boundary of the Forest Service units. The Geographic Information System (GIS) maps of the stipulations may be viewed at the following Forest Service offices:

• The individual District Ranger's Office identified in the stipulation listing included with this sale notice.

OF

• The individual Forest Supervisor's Office identified in the stipulation listing included with this sale notice,

OΓ

• Forest Service, Region One Office, 200 East Broadway, Missoula, Montana

### How do I nominate lands for future sales?

- file a letter with this office describing the lands you want put up for sale;
- file a pre-sale offer

### Who should I contact if I have a question?

For more information, contact Tessie Vaughn at (406) 896-5091.

When is the next competitive oil and gas lease sale scheduled in Montana?

We are tentatively holding our next competitive sale on September 30, 2003.

Karen L. Johnson, Chief Fluids Adjudication Section

### OFFICIAL POSTING DATE MUST BE ON OR BEFORE JUNE 13, 2003

The official posting date will be noted on the copy posted in the Information Access Center of the Bureau of Land Management, Billings, Montana.

### **PUBLIC NOTICE**

Any noncompetitive offers received for lands that are listed on the Notice from the time the list is officially posted in the Montana State Office Public Room until the first business day following the completion of the sale will be rejected as unavailable for filing per 43 CFR 3110.1(a)(ii).

### THE FOLLOWING NOTICE WILL BE ATTACHED TO ALL ISSUED LEASES

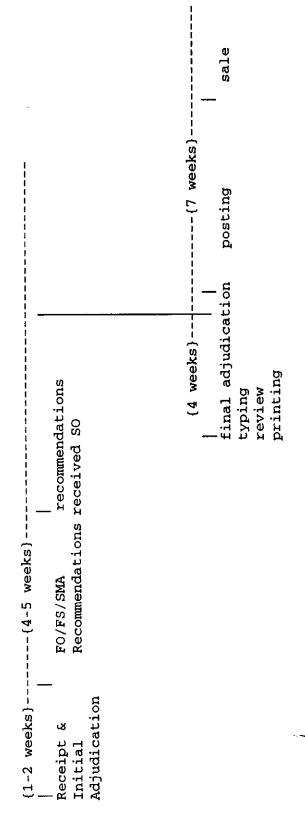
### NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

# TIMELINE TO PROCESS EXPRESSIONS OF INTEREST (EQI) OR PRESALE OFFERS



# Total time required to process EOI/Offer 4-5 months {16-18 weeks}

SMA-Surface Management Agency ie: Forest Service, Bureau of Reclamation FO-BLM Field Office FS-BLM Field Office SO-Mon

Form 3100-11 (October 1992)

(Continued on reverse)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Serial No.

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

|       |   | READ INSTRUCTION:                    | S BEFORE COMPLETING                 |  |            |
|-------|---|--------------------------------------|-------------------------------------|--|------------|
| 1.    | Name  |                                      |                                     |  |            |
|       | Street  |                                      |                                     |  |            |
|       | City, State, Zip Code   |                                      | •                                   |  |            |
| _     |   |                                      |                                     |  |            |
| •     |   |                                      |                                     |  |            |
| 2.    | This application/offer/lease is for: (Check only One)   |                                      | □ A                                 | CQUIRED LANDS (percent U.S. interest                     |            |
|       | Surface managing agency if other than BLM:  |                                      |                                     |  |            |
|       | Legal description of land requested:  | *Parcel No.:                         |                                     | *Sale Date (m/d/y)://                                    |            |
|       | *SEE ITEM 2 IN INSTRUCTIONS BELOW PRICE   | R TO COMPLETING PARCEL !             | TUMBER AND SALE DATE.               |  |            |
|       | T. R.   | Meridian                             | State                               | County   |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      | •                                   |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     | Total acres applied for                                  |            |
|       | Amount remitted: Filing fee \$  | Rental fee \$                        |                                     | Total \$   |            |
|       |   |                                      |                                     |  |            |
|       | 1   | DO NOT WRITE                         | BELOW THIS LINE                     |  |            |
| _     | · · · · · · · · · · · · · · · · · · ·   |                                      |                                     |  |            |
|       |   |                                      |                                     |  | ****       |
| 3.    | Land included in lease:   |                                      |                                     | ·  |            |
|       |   |                                      |                                     |  |            |
|       | T. R.   | Meridian                             | State                               | County   |            |
|       |   |                                      |                                     | - County   |            |
|       |   |                                      |                                     | •  | ,          |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       |   |                                      |                                     |  |            |
|       | •   |                                      |                                     | Total acres in lease                                     |            |
|       | •   |                                      |                                     | Rental retained \$                                       |            |
|       |   |                                      |                                     | <u> </u>   |            |
|       |   |                                      |                                     |  |            |
| This  | lease is issued granting the exclusive right to drill for,  | mine, extract, remove and dispose of | all the oil and gas (except helium) | in the lands described in Item 3 together with the riol  | ht to buil |
|       |   |                                      |                                     |  |            |
|       | icable laws, the terms, conditions, and attached stipulations hereafter promulgated when not inconsistent with less |                                      |                                     | ers in effect as of lease issuance, and to regulations a | ind form   |
|       |   |                                      |                                     | •  |            |
| ьоп   | FE: This lease is issued to the high bidder pursuant ination and those specified on this form.                      | to mather duly executed bid or not   | mination form submitted under 4     | 3 CFR 3120 and is subject to the provisions of th        | unt bid o  |
|       | and primary term of lease:  |                                      |                                     |  |            |
| ı yır | and primary term of lease:  |                                      | THE UNITED STATES OF A              | MERICA   |            |
| _     |   |                                      |                                     | 9  |            |
| U N   | loncompetitive lease (ten years)  |                                      | by                                  |  |            |
|       |   |                                      |                                     | (Signing Officer)  |            |
|       | ompetitive lease (ten years)  |                                      |                                     |  |            |
|       |   |                                      | (Title)                             | (Date)   | . "        |
| ⊐ o   | ther  |                                      | EFFECTIVE DATE OF 1 240             | SE   |            |
|       |   |                                      |                                     | ~  |            |
| =     |   |                                      |                                     |  |            |

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any accendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or frandulent statements or representations as to any matter within its jurisdiction.

| Duly executed this | day of | , 19 | · | (Signature of Lessee or Attorney-in-fact |
|--------------------|--------|------|---|--|
| ·                  |        |      |   |  |

### LEASE TERMS

Sec. 1. Rentals-Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or
- as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing hy lessee.

Sec. 2. Royalties-Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 121/2%:
- (b) Competitive lease, 121/2%;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds-A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage-Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection-Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552). Sec. 6. Conduct of operations-Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impato other resources. Lessee may be required to complete minor inventories or short term sp studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations-To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium-Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay leasor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity-Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lesse. Lessee may relinquish this lease or any legal subdivision by filling in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises-At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any time. Lessee shall be subject to applicable provisions and penalties of POGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest--Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### COMPETITIVE OIL AND GAS OR GEOTHERMAL RESOURCES LEASE BID

30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

| FORM     | APP   | RO  | VED  |
|----------|-------|-----|------|
| OMB N    | 0. 10 | 004 | 0074 |
| Expires: | July  | 31. | 2003 |

Date of sale

| 30 U.S.C. 1001-1025; 42 U.S.C. 6508  |  |                                       |  |
|--|--|---------------------------------------|--|
|  | AMOUNT OF BID (See Instructions below) |                                       |  |
| PARCEL NUMBER  | TOTAL BID                              | PAYMENT SUBMITTED WITH BID            |  |
| HE BID IS FOR (Check one):   |  |                                       |  |
| Oil and Gas Parcel Number  |  |                                       |  |
|  |  |                                       |  |
| Geothermal Parcel Number   |  |                                       |  |
| Name of Known Geothermal Resource Area (KGRA)  |  |                                       |  |
|  |  |                                       |  |
| he appropriate regulations applicable to this bid are: (1) for oil and gaeses—43 CFR 3132; and (3) for Geothermal resources leases—43 CF | s leases—43 CFR 3120; (2) for Natio    | onal Petroleum Reserve-Alaska (NPR-A) |  |
| CERTIFY THAT I have read and am in compliance with, and not in viole   |  |                                       |  |

State

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

| Print or Type Name of Lessee |                   |          | Signature of Lessee or Bidder |   |
|------------------------------|-------------------|----------|-------------------------------|---|
|                              | Address of Lessee |          |                               |   |
| City                         | State             | Zip Code |                               | - |

### INSTRUCTIONS

### INSTRUCTIONS FOR OIL AND GAS BID (Except NPR-A)

- Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the Notice of Competitive Lease Sale.
- 2. Bid must be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance must be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, must be submitted to the proper BLM office within 10 working days after the last day of the oral auction. Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.
- If bidder is not the sole party in interest in the lease for which the bid
  is submitted, all other parties in interest may be required to furnish
  evidence of their qualifications upon written request by the authorized
  officer.
- This bid may be executed (signed) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
- 5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

### INSTRUCTIONS FOR GEOTHERMAL OR NPR-A OIL AND GAS BID

- Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.
- Bid must be accompanied by one-fifth of the total amount of bid. The remittance must be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
- 3. Mark envelope Bid for Geothermal Resources Lease in (Name of KGRA) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
- 4. Mail or deliver bid to the proper BLM office or place indicated in the Notice of Competitive Lease Sale.
- 5. If bidder is not the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

for this bid.

### **QUALIFICATIONS**

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (including partnerships and trusts) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States; an association of such citizens; a municipality or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

### NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE: The information is to be used to process your bid.

ROUTINE USES: (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when commensor concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bin may be rejected.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220..

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit...

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OM control number.

### **BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 2 hours per response including the time for reviewing instructions, gathering and maintaining data, an completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Lan Management, (1004-0074), Bureau Clearance Officer (WO-630), 1620 L Street, Washington, D.C. 20036.

### ALL LANDS ARE LISTED IN TOWNSHIP AND RANGE ORDER

### MONTANA

| O7-03-01 PD T. 27 N, R. 1 E, PMM, MT sec. 14 SW; Pondera 160.00 AC Stipulations: COE, Standard, TES                                   | O7-03-06  T. 29 N, R. 28 E, PMM, MT sec. 30 N2NE; 31 LOTS 3,4; 31 E2,E2SW; 32 S2; 34 N2;   |
|---|--|
| 07-03-02 ACQ T. 11 N, R. 24 E, PMM, MT sec. 5 SWSW; 8 NW, E2SW, SE;   | 35 NESW, S2SW, SE; Phillips 1480.31 AC Stipulations: Standard, TES   |
| 23 E2SW,SWSE; 26 W2NE,E2NW,NWSE;  Musselshell 760.00 AC  Stipulations: NSO-1, TES, Timing-1,2   | 07-03-07 PD T. 30 N, R. 28 E, PMM, MT sec. 12 N2S2; 14 SESW,N2SE; Phillips 280.00 AC Stipulations: Form 3109-1, GP-135,                              |
| 07-03-03 PD<br>T. 11 N, R. 24 E, PMM, MT<br>sec. 24 NWNW, SWSW;   | Standard, TES  |
| Musselshell 80.00 AC Stipulation: TES   | 07-03-08 ACQ<br>T. 30 N, R. 28 E, PMM, MT<br>sec. 14 NESW, SWSW;<br>22 NE;   |
| 07-03-04 PD T. 30 N, R. 27 E, PMM, MT sec. 15 NWNE, SENE, NENENW, N2NWNENW, N2N2NWNW; 24 N2N2, SWNE;                                  | Phillips 240.00 AC 75% U.S. MINERAL INTEREST Stipulations: Form 3730-1, Form 3109-1, GP-135, Standard, TES   |
| Phillips 305.00 AC<br>Stipulations: Form 3109-1, GP-135<br>Standard, TES  | This parcel has fractional interest. Rentals are payable on total acres; royalties are payable on fractional interest.                               |
| PD T. 29 N, R. 28 E, PMM, MT sec. 28 E2,NENW,S2NW; 30 LOTS 1,2; 30 S2NE,E2NW,SE; 33 NE; 34 N2SW,SWSW,SE; 35 NWSW; Phillips 1321.69 AC | 07-03-09 PD T. 30 N, R. 28 E, PMM, MT sec. 18 LOTS 5,6,7; 18 E2SW; 19 LOTS 1,2,3; 19 N2NE, SENE, E2NW; Phillips 524.35 AC Stipulations: Form 3730-1, |
| Stipulations: Standard, TES   | Form 3109-1, GP-135, Standard, TES   |

| 07-03-10 PD                          | 07-03-14 ACQ                |
|--------------------------------------|-----------------------------|
| T. 30 N, R. 28 E, PMM, MT            | T. 31 N, R. 28 E, PMM, MT   |
| sec. 20 SWNE, NWNW, S2NW, S2;        | sec. 3 LOT 1;               |
| 21 NW, S2;                           | 3 SENE;                     |
| 22 S2;                               | 23 S2;                      |
| Phillips 1280.00 AC                  | Phillips 399.99 AC          |
| Stipulations: Form 3730-1,           | Stipulations: Standard, TES |
| Form 3109-1, GP-135, Standard, TES   |                             |
|                                      |                             |
|                                      | 07-03-15 PD                 |
| 07-03-11 ACQ                         | T. 31 N, R. 28 E, PMM, MT   |
| T. 30 N, R. 28 E, PMM, MT            | sec. 18 NESE, S2SE;         |
| sec. 23 NW;                          | 22 S2SE;                    |
| Phillips 160.00 AC                   | 25 NWSE, SESE;              |
| 75% U.S. MINERAL INTEREST            | 26 N2NE, SWNE, E2SW;        |
| Stipulations: Form 3730-1,           | 29 SWNE, S2NW, N2SW, SWSW;  |
| Form 3109-1, GP-135, Standard, TES   | 30 LOTS 1,2,3,4;            |
|                                      | 30 NWNE, S2NE, E2W2, SE;    |
| This parcel has fractional interest. | Phillips 1330.92 AC         |
| Rentals are payable on total acres;  | Stipulations: Standard, TES |
| royalties are payable on fractional  |                             |
| interest.                            |                             |
|                                      | <b>07-03-16</b> PD          |
|                                      | T. 31 N, R. 28 E, PMM, MT   |
| 07-03-12 PD                          | sec. 31 LOTS 1-7 INCL;      |
| T. 30 N, R. 28 E, PMM, MT            | 31 NE, E2NW, NESW, N2SE;    |
| sec. 23 S2NE,S2;                     | 32 LOTS 1,2;                |
| 24 S2S2;                             | 32 W2NW, NWSW, NESE;        |
| 25 N2, N2S2, SWSW;                   | 33 LOTS 1,2;                |
| 26 NE, N2NW;                         | 33 E2NE, W2NW, NWSW, NESE;  |
| 27 S2NE;                             | 34 LOTS 1,2,3,4;            |
| 28 NESW;                             | 34 N2S2;                    |
| 30 E2SE;                             | 35 LOTS 3,4;                |
| Phillips 1520.00 AC                  | Phillips 1656.01 AC         |
| Stipulations: Form 3109-1, GP-135,   | Stipulations: Standard, TES |
| Standard, TES                        |                             |
|                                      |                             |
|                                      | 07-03-17 ACQ                |
| 07-03-13 ACQ                         | T. 31 N, R. 28 E, PMM, MT   |
| T. 30 N, R. 28 E, PMM, MT            | sec. 32 LOT 4;              |
| sec. 28 W2E2,NW;                     | Phillips 42.83 AC           |
| 31 LOT 1;                            | Stipulations: Standard, TES |
| 31 W2NE, E2NW, NESW;                 |                             |
| Phillips 560.77 AC                   |                             |
| Stipulations: Standard, TES          |                             |
|                                      |                             |

: #

| 07-03-18 ACQ T. 32 N, R. 28 E, PMM, MT sec. 8 S2NW,SW; 17 NWNW; 18 NENE; Phillips 320.00 AC                            | 07-03-22 ACQ T. 34 N, R. 28 E, PMM, MT sec. 11 N2; 12 ALL; 13 W2;   |
|--|---|
| 50% U.S. MINERAL INTEREST Stipulations: Standard, TES  | Phillips 1280.00 AC<br>Stipulations: Standard, TES  |
| This parcel has fractional interest. Rentals are payable on total acres; royalties are payable on fractional interest. | 07-03-23 ACQ T. 34 N, R. 28 E, PMM, MT sec. 14 N2; 15 S2N2,SE; 18 E2SW,W2SE; 19 NWNE,S2NE,NENW;             |
| O7-03-19  T. 32 N, R. 28 E, PMM, MT  sec. 18 W2E2, SESE;  26 S2;   | Phillips 960.00 AC Stipulations: Standard, TES  |
| 34 E2SW,SE; Phillips 760.00 AC Stipulations: Standard, TES   | O7-03-24 PD T. 34 N, R. 28 E, PMM, MT sec. 15 N2N2; 17 N2,SW; 18 LOTS 3,4;                                  |
| 07-03-20 PD T. 32 N, R. 28 E, PMM, MT sec. 20 NWSE; 23 SWNW, SESW; 24 SESW, SWSE; 25 NWNE, E2W2; 27 S2;                | 18 E2E2; 19 LOTS 1,2,3,4; 19 NENE, SENW, E2SW, SE; Phillips 1317.28 AC Stipulations: Standard, TES          |
| 29 NWNE, N2NW; 34 N2NE, E2NW; 35 S2NE, N2S2; Phillips 1240.00 AC Stipulations: Standard, TES                           | 07-03-25 ACQ T. 34 N, R. 28 E, PMM, MT sec. 24 E2; 25 NE,W2; Phillips 800.00 AC Stipulations: Standard, TES |
| 07-03-21 PD T. 34 N, R. 28 E, PMM, MT sec. 10 ALL; 11 S2; 13 E2;   | 07-03-26 PD<br>T. 34 N, R. 28 E, PMM, MT<br>sec. 26 NW;   |
| Phillips 1280.00 AC Stipulations: Standard, TES  | 28 N2;<br>29 ALL;<br>Phillips 1120.00 AC<br>Stipulations: Standard, TES                                     |

| 07-03-27 PD                                    | 07-03-32 PD                 |
|--|-----------------------------|
| T. 34 N, R. 28 E, PMM, MT                      | T. 36 N, R. 28 E, PMM, MT   |
| sec. 30 LOTS 1,2,3,4;                          | sec. 2 LOTS 3,4;            |
| 30 E2,E2W2;                                    | 3 LOTS 1,2,3;               |
| 31 LOTS 1,2,3,4;                               | 7 LOTS 3,4,9,10;            |
| 31 E2,E2W2;                                    | 11 W2,W2SE;                 |
| 32 W2;   | 12 SW;                      |
| Phillips 1552.32 AC                            | Phillips 948.43 AC          |
| Stipulations: Standard, TES                    | Stipulations: Standard, TES |
| -  | -                           |
| 07-03-28 PD                                    | 07-03-33 PD                 |
| T. 34 N, R. 28 E, PMM, MT                      | T. 36 N, R. 28 E, PMM, MT   |
| sec. 33 E2, N2NW;                              | sec. 13 ALL;                |
| 34 N2;   | 14 NENE;                    |
| 35 SW;   | 15 NW;                      |
| ,  | Phillips 680.00 AC          |
| Phillips 880.00 AC Stipulations: Standard, TES | Stipulations: Standard, TES |
| Scipulations: Standard, 125                    | beignations. beandard, 115  |
|  | 07 03 34                    |
| 07-03-29 ACQ                                   | 07-03-34 ACQ                |
| T. 34 N, R. 28 E, PMM, MT                      | T. 36 N, R. 28 E, PMM, MT   |
| sec. 35 E2;                                    | sec. 14 NWNE, S2NE, NW, S2; |
| Phillips 320.00 AC                             | 15 NE;                      |
| Stipulations: Standard, TES                    | 17 ALL;                     |
|  | 20 S2NE,NW,N2SW,SESW,SE;    |
|  | Phillips 1920.00 AC         |
| 07-03-30 ACQ                                   | Stipulations: Standard, TES |
| T. 36 N, R. 28 E, PMM, MT                      |                             |
| sec. 1 LOTS 1,2,3,4;                           |                             |
| 2 LOTS 1,2;                                    | 07-03-35 PD                 |
| 2 S2;  | T. 36 N, R. 28 E, PMM, MT   |
| 3 S2;  | sec. 18 LOTS 1-9 INCL, 12;  |
| Phillips 962.18 AC                             | 19 LOTS 1,2, 5-12 INCL;     |
| Stipulations: Standard, TES                    | 19 E2;                      |
|  | 20 N2NE, SWSW;              |
|  | Phillips 1195.58 AC         |
| 07-03-31 ACQ                                   | Stipulations: Standard, TES |
| T. 36 N, R. 28 E, PMM, MT                      |                             |
| sec. 7 LOTS 1,2, 5-8 INCL,                     |                             |
| 11,12;   | 07-03-36 ACQ                |
| 8 ALL;   | T. 36 N, R. 28 E, PMM, MT   |
| 10 E2;   | sec. 21 N2;                 |
| 11 NE;   | 22 N2, SE;                  |
| 12 SE;   | 23 E2NE, S2;                |
| Phillips 1600.00 AC                            | 24 NW, N2SW, SE;            |
| Stipulations: Standard, TES                    | Phillips 1600.00 AC         |
| <del>-</del>                                   | Stipulations: Standard, TES |
|  |                             |

| 07-03-37 PD                    | 07-03-41 PD                               |
|--------------------------------|---|
| T. 36 N, R. 28 E, PMM, MT      | T. 36 N, R. 28 E, PMM, MT                 |
| sec. 21 S2;                    | sec. 29 S2NE, NWNW, SENW, E2SW;           |
| 22 SW;                         | 30 LOTS 1,2,5,6,7,8,11,12;                |
| 23 W2NE, NW;                   | 30 N2NE, SWSE;                            |
| 24 S2SW;                       | 31 LOTS 1,2,3,4,9,10,11;                  |
| Phillips 800.00 AC             | 31 N2NE;                                  |
| Stipulations: Standard, TES    | 32 NWNW, S2NW, N2SW, SESW, SE;            |
|                                | 33 NENE, SW, SWSE;                        |
|                                | Phillips 1644.44 AC                       |
| 07-03-38 ACQ                   | Stipulations: Standard, TES               |
| T. 36 N, R. 28 E, PMM, MT      |   |
| sec. 25 NE, NESE;              |   |
| 34 NENE EXCL 3.99 AC IN RR     | 07-03-42 PD                               |
| R/W MTGF073440;                | T. 36 N, R. 28 E, PMM, MT                 |
| 35 NWNW, S2NW, N2SW, SESW EXCL | sec. 34 SENE, SE;                         |
| 13.60 AC IN RR R/W             | 35 N2NE, SWNE, NENW, SWSW,                |
| MTGF073440;                    | NWSE;                                     |
| Phillips 462.41 AC             | Phillips 440.00 AC                        |
| Stipulations: Standard, TES    | Stipulations: Standard, TES               |
| 07-03-39 PD                    | 07-03-43 ACO                              |
| T. 36 N, R. 28 E, PMM, MT      | 07-03-43 ACQ<br>T. 37 N, R. 28 E, PMM, MT |
| sec. 25 NW, N2SW, SWSW, SESE;  | sec. 1 LOTS 11,12;                        |
| 26 ALL;                        | 1 S2NE, SE;                               |
| 27 N2, SW;                     | 2 S2;                                     |
| 28 E2E2;                       | 11 ALL;                                   |
| Phillips 1600.00 AC            | 13 E2;                                    |
| Stipulations: Standard, TES    | 14 S2;                                    |
|                                | Phillips 1906.86 AC                       |
|                                | Stipulations: Standard, TES               |
| 07-03-40 ACQ                   | <b>2</b>                                  |
| T. 36 N, R. 28 E, PMM, MT      |   |
| sec. 28 N2SW;                  | 07-03-44 ACQ                              |
| 29 N2NE, NENW, SE;             | T. 37 N, R. 28 E, PMM, MT                 |
| 31 LOTS 5,6,7,8,12;            | sec. 3 LOTS 9,10,11,12;                   |
| 31 S2NE, SE;                   | 4 LOTS 10,11,12;                          |
| 32 SWSW;                       | 9 ALL;                                    |
| Phillips 840.00 AC             | 10 ALL;                                   |
| Stipulations: Standard, TES    | 15 N2;                                    |
|                                | 21 E2E2;                                  |
|                                | Phillips 1989.99 AC                       |
|                                | Stipulations: Standard, TES               |

| 07-03-45 PD                 | 07-03-49 ACQ                          |
|-----------------------------|---------------------------------------|
| T. 37 N, R. 28 E, PMM, MT   | T. 29 N, R. 29 E, PMM, MT             |
| sec. 6 LOT 5;               | sec. 26 W2;                           |
| 6 SENW;                     | 27 E2;                                |
| Phillips 79.19 AC           | 28 NE, W2;                            |
| Stipulations: Standard, TES | 30 LOT 1;                             |
| -                           | 30 NE, NENW;                          |
|                             | Phillips 1360.98 AC                   |
| 07-03-46 ACQ                | Stipulations: Standard, TES           |
| T. 37 N, R. 28 E, PMM, MT   | · · · · · · · · · · · · · · · · · · · |
| sec. 6 LOTS 6,7,12;         |                                       |
| 6 E2SW;                     | <b>07-03-50</b> PD                    |
| 7 LOTS 1,2;                 | T. 29 N, R. 29 E, PMM, MT             |
| 7 E2, E2NW;                 | sec. 26 SE;                           |
| 8 ALL;                      | 27 SWNW;                              |
| 17 ALL;                     | 31 LOT 2;                             |
| Phillips 1947.37 AC         | 31 SESE;                              |
| Stipulations: Standard, TES | 32 NESW, S2SW;                        |
| ocipatacions. Scandara, 125 | 33 N2SE;                              |
|                             | 34 E2NE, SWSE;                        |
| 07-03-47 ACQ                | Phillips 560.50 AC                    |
| T. 29 N, R. 29 E, PMM, MT   | Stipulations: Standard, TES           |
| sec. 1 LOTS 1,2;            | Dolparadrond. Dominara, 120           |
| 1 SENE;                     |                                       |
| 2 S2SW;                     | 07-03-51 ACQ                          |
|                             | T. 29 N, R. 29 E, PMM, MT             |
| ···• ·                      | sec. 31 LOTS 3,4;                     |
| 4 SENE, NESE;               | 31 SWNE, E2SW, NESE, W2SE;            |
| 5 LOT 4;                    | 32 NE, E2NW, NWSW;                    |
| 5 S2NW, SW;                 | 33 NW;                                |
| 7 LOT 1;                    | Phillips 800.40 AC                    |
| 7 N2NE, SENE, NENW;         |                                       |
| 8 W2;                       | Stipulations: Standard, TES           |
| 11 ALL;                     |                                       |
| Phillips 2002.26 AC         | 07-03-52 PD                           |
| Stipulations: Standard, TES | 07-03-52<br>T. 30 N, R. 29 E, PMM, MT |
|                             | sec. 7 LOTS 1,2,3,4;                  |
| 77                          |                                       |
| 07-03-48 PD                 | 7 NE, E2W2, N2SE;                     |
| T. 29 N, R. 29 E, PMM, MT   | 8 N2, N2S2;                           |
| sec. 1 SWNE, SWNW;          | 9 N2NE, SWNE, NW;                     |
| 4 LOTS 2,3,4;               | 10 NE, N2NW, SENW;                    |
| 6 LOT 4;                    | 11 S2NE, NENW, SE;                    |
| 8 W2SE;                     | Phillips 1881.60 AC                   |
| Phillips 366.50 AC          | Stipulations: Form 3109-1, GP-135,    |
| Stipulations: Standard, TES | Standard, TES                         |

| 07-03-53 PD<br>T. 30 N, R. 29 E, PMM, MT                                   | 07-03-58 PD  |
|--|--|
| sec. 13 S2NW;  | T. 30 N, R. 29 E, PMM, MT<br>sec. 25 E2NE, NW, N2SW, SWSW, S2SE; |
| 14 NE, S2NW, N2SW, NESE;   | 26 NWNW, SW, W2SE;   |
| 15 S2NE, NWNW, S2NW, N2SW,<br>NWSE;  | 26 SESE EXCL 3.7 AC IN RSVR                                      |
| Phillips 760.00 AC   | R/W M040512;   |
| Stipulations: Form 3109-1, GP-135,   | 27 N2NE, NW, S2S2, NESE;   |
| Standard, TES  | Phillips 1196.30 AC  |
|  | Stipulations: Form 3109-1, GP-135,<br>Standard, TES              |
|  |  |
| 07-03-54 PD  |  |
| T. 30 N, R. 29 E, PMM, MT  | 07-03-59 ACQ   |
| sec. 17 SW, SWSE;  | T. 31 N, R. 29 E, PMM, MT  |
| Phillips 200.00 AC   | sec. 23 NE, SW, N2SE, SWSE;                                      |
| Stipulations: Form 3109-1, GP-135,<br>Standard, TES                        | 24 SWNE, NW, N2SW, SESW, NWSE, S2SE;                             |
|  | 25 N2NE, S2NW, SW;   |
|  | 26 NE, NENW, S2NW, N2S2;   |
| <b>07-03-55</b> PD   | Phillips 1640.00 AC  |
| T. 30 N, R. 29 E, PMM, MT  | Stipulations: Standard, TES                                      |
| sec. 18 SESE;  |  |
| 19 LOT 4;  |  |
| 19 E2NE, E2SW, SE;   | 07-03-60 PD  |
| 20 w2NE, Nw, S2;   | T. 31 N, R. 29 E, PMM, MT  |
| Phillips 960.72 AC   | sec. 23 SESE;  |
| Stipulations: Form 3109-1, GP-135,   | 24 SWSW;   |
| Standard, TES  | 25 S2NE, N2NW, SE;   |
|  | 26 NWNW;   |
|  | 27 NE;   |
| 07-03-56 PD  | Phillips 600.00 AC   |
| T. 30 N, R. 29 E, PMM, MT<br>sec. 21 S2NE, NW, S2;<br>22 SENE, S2SW, SESE; | Stipulations: Standard, TES                                      |
| Phillips 894.38 AC   | 07-03-61   |
| Stipulations: Form 3109-1, GP-135,   | 07-03-61 ACQ<br>T. 31 N, R. 29 E, PMM, MT                        |
| Standard, TES  | sec. 27 NW, S2SW;  |
|  | 28 E2E2, NWNE, NW, SWSE;   |
|  | 33 LOT 4;  |
| 07-03-57 PD  | 33 N2NE, SENE, N2SE;   |
| T. 30 N, R. 29 E, PMM, MT  | 34 LOT 2;  |
| sec. 23 NESW, SWSW, N2SE;  | 34 NWNW, S2NW, N2SW;   |
| 24 S2NE, S2;   | Phillips 1111.34 AC  |
| Phillips 560.00 AC   | Stipulations: Standard, TES                                      |
| Stipulations: Form 3109-1, GP-135,   |  |
| Standard, TES  |  |

| 07-03-62                    | PD  | 07-03-66 ACQ                         |
|-----------------------------|-----|--------------------------------------|
| T. 31 N, R. 29 E, PMM, MT   |     | T. 32 N, R. 29 E, PMM, MT            |
| sec. 29 W2SW;               |     | sec. 7 LOTS 1,2;                     |
| 31 LOTS 2-7 INCL;           |     | 7 NE, E2NW;                          |
| 31 NE, E2NW, NESW, N2SE;    |     | Phillips 318.58 AC                   |
| 32 LOTS 1,3;                |     | 50% U.S. MINERAL INTEREST            |
| 32 W2NW, NWSW;              |     | Stipulations: Standard, TES          |
| Phillips 881.22             | AC  |                                      |
| Stipulations: Standard, TES |     | This parcel has fractional interest. |
|                             |     | Rentals are payable on total acres;  |
|                             |     | royalties are payable on fractional  |
| 07-03-63                    | PD  | interest.                            |
| T. 31 N, R. 29 E, PMM, MT   |     |                                      |
| sec. 33 LOT 3;              |     |                                      |
| 33 SWNE;                    |     | 07-03-67 PD                          |
| 34 LOT 1;                   |     | T. 32 N, R. 29 E, PMM, MT            |
| 34 NENW;                    |     | sec. 23 N2NE, NW;                    |
| 35 LOT 1;                   |     | 24 E2NW;                             |
| 35 SWNE;                    |     | 25 NW;                               |
| Phillips 225.99             | AC  | 27 N2NE;                             |
| Stipulations: Standard, TES |     | 28 E2SW;                             |
|                             |     | 29 SW;                               |
|                             |     | 30 LOTS 1,2;                         |
| 07-03-64                    | PD  | 30 E2W2, SE;                         |
| T. 32 N, R. 29 E, PMM, MT   |     | Phillips 1202.74 AC                  |
| sec. 1 LOTS 1,2,3,4;        |     | Stipulations: Standard, TES          |
| 1 SWNE, S2NW, SW, S2SE;     |     |                                      |
| 2 LOTS 1,2,3,4;             |     |                                      |
| 2 S2N2,S2;                  |     | 07-03-68 ACQ                         |
| 3 SWNE, S2NW, E2SW, SE;     |     | T. 32 N, R. 29 E, PMM, MT            |
| 4 S2NE, W2SE;               |     | sec. 23 SWNE, SW, NWSE, S2SE;        |
| 9 W2NE, NWNW, SENW;         |     | 24 NE;                               |
| 10 NE, E2NW;                |     | 25 <b>S2</b> ;                       |
| Phillips 2139.48            | AC  | 26 E2;                               |
| Stipulations: Standard, TES |     | 27 S2NE, E2SW, SE;                   |
|                             |     | 28 W2W2;                             |
|                             |     | 29 E2;                               |
| • •                         | ACQ | Phillips 1920.00 AC                  |
| T. 32 N, R. 29 E, PMM, MT   |     | Stipulations: Standard, TES          |
| sec. 4 LOTS 1,2,3,4;        |     |                                      |
| 4 S2NW, SW;                 |     |                                      |
| 5 LOTS 1,2,3,4;             |     |                                      |
| 5 S2N2,S2;                  |     |                                      |
| 6 LOTS 3-7 INCL;            |     |                                      |
| 6 SENW, E2SW;               |     |                                      |
| 8 SWNE, SE;                 |     |                                      |
| 9 NENW;                     |     |                                      |
| 10 SE;                      |     |                                      |
| Phillips 1812.36            | AC  |                                      |
| Stipulations: Standard, TES |     |                                      |

| 07-03-69 PD   | <b>07-03-73</b> PD   |
|---|--|
| T. 33 N, R. 29 E, PMM, MT   | T. 36 N, R. 29 E, PMM, MT  |
| sec. 1 LOTS 2,3,4;  | sec. 7 LOTS 2,3,4;   |
| <pre>1 SWNE, S2NW, NESW, NWSE;</pre>  | 7 SENW, E2SW;  |
| 2 LOT 1;  | 17 SE;   |
| 12 NENE, NENW, S2NW, N2SW,  | 18 LOTS 3,4;   |
| NWSE;   | 18 E2SW, W2SE;   |
| 15 S2S2;  | 19 N2NE, SENE;   |
| Phillips 801.35 AC  | 20 N2NE, SENE, NW;   |
| Stipulations: Standard, TES   | Phillips 1012.61 AC  |
|   | Stipulations: Standard, TES  |
| 07-03-70 ACQ  |  |
| T. 33 N, R. 29 E, PMM, MT   | 07-03-74 ACQ   |
| sec. 2 LOTS 3,4;  | T. 36 N, R. 29 E, PMM, MT  |
| 2 S2NW;   | sec. 17 W2;  |
| 3 LOTS 1,2;   | 18 LOTS 1,2;   |
| 4 LOTS 3,4;   | 18 NE, E2NW;   |
| 4 S2NW, SW;   | 19 SWNE, N2SE, SESE;   |
| Phillips 556.43 AC  | 20 SWNE, S2;   |
| Stipulations: Standard, TES   | Phillips 1149.05 AC  |
|   | Stipulations: Standard, TES  |
|   |  |
| 07-03-71 PD   |  |
| <b>07-03-71</b> PD<br>T. 33 N, R. 29 E, PMM, MT   | 07-03-75 PD  |
|   | <b>07-03-75</b> PD<br>T. 36 N, R. 29 E, PMM, MT  |
| T. 33 N, R. 29 E, PMM, MT   | 10   |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7;   | T. 36 N, R. 29 E, PMM, MT  |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE;   | T. 36 N, R. 29 E, PMM, MT<br>sec. 28 W2SE;   |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW;   | T. 36 N, R. 29 E, PMM, MT<br>sec. 28 W2SE;<br>29 SW;   |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE;  | T. 36 N, R. 29 E, PMM, MT<br>sec. 28 W2SE;<br>29 SW;<br>30 E2SE;   |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC  | T. 36 N, R. 29 E, PMM, MT<br>sec. 28 W2SE;<br>29 SW;<br>30 E2SE;<br>31 LOTS 1,2,3,4;   |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE;  | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE;   |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC  | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE;  |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE; Phillips 1138.29 AC  |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  O7-03-72 ACQ T. 33 N, R. 29 E, PMM, MT  | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE; Phillips 1138.29 AC Stipulations: Standard, TES  |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  O7-03-72 ACQ T. 33 N, R. 29 E, PMM, MT sec. 13 W2NE, NW;  | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE; Phillips 1138.29 AC Stipulations: Standard, TES  |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  O7-03-72 ACQ T. 33 N, R. 29 E, PMM, MT sec. 13 W2NE, NW; 14 NENW, S2NW, SW;                                   | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE; Phillips 1138.29 AC Stipulations: Standard, TES  |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  O7-03-72 ACQ T. 33 N, R. 29 E, PMM, MT sec. 13 W2NE, NW; 14 NENW, S2NW, SW; 15 SENE, N2S2;                    | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE; Phillips 1138.29 AC Stipulations: Standard, TES  07-03-76 ACQ T. 36 N, R. 29 E, PMM, MT                        |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  O7-03-72 ACQ T. 33 N, R. 29 E, PMM, MT sec. 13 W2NE, NW; 14 NENW, S2NW, SW; 15 SENE, N2S2; Phillips 720.00 AC | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE, S2NE, E2W2, W2SE; 32 NE, N2NW, W2SE; Phillips 1138.29 AC Stipulations: Standard, TES  O7-03-76 ACQ T. 36 N, R. 29 E, PMM, MT sec. 29 N2NW;     |
| T. 33 N, R. 29 E, PMM, MT sec. 6 LOT 7; 6 SESW, S2SE; 7 LOTS 1,2,3; 7 E2W2; 8 SW; 17 W2, NESE, S2SE; Phillips 1037.25 AC Stipulations: Standard, TES  O7-03-72 ACQ T. 33 N, R. 29 E, PMM, MT sec. 13 W2NE, NW; 14 NENW, S2NW, SW; 15 SENE, N2S2;                    | T. 36 N, R. 29 E, PMM, MT sec. 28 W2SE; 29 SW; 30 E2SE; 31 LOTS 1,2,3,4; 31 NENE,S2NE,E2W2,W2SE; 32 NE,N2NW,W2SE; Phillips 1138.29 AC Stipulations: Standard, TES  O7-03-76 ACQ T. 36 N, R. 29 E, PMM, MT sec. 29 N2NW; 30 NENE; |

| 07-03-77                     | PD       | 07-03-81 PD                        |
|------------------------------|----------|------------------------------------|
| T. 29 N, R. 30 E, PMM, MT    |          | T. 30 N, R. 30 E, PMM, MT          |
| sec. 2 LOT 9;                |          | sec. 20 N2, NESW, S2SW, NWSE;      |
| 5 LOTS 1,2,3,4;              |          | 20 NESE EXCL 9.62 AC IN            |
| 6 LOTS 1,2,3,4;              |          | RSVR R/W M040426;                  |
|                              | .95 AC   | 20 SWSE EXCL 1.34 AC IN            |
| Stipulations: Standard, TES  |          | RSVR R/W M040426;                  |
| _                            |          | 20 SESE EXCL 33.17 AC IN           |
|                              |          | RSVR R/W M040426;                  |
| 07-03-78                     | ACQ      | 21 NE, NESE;                       |
| T. 29 N, R. 30 E, PMM, MT    |          | 21 NWSE EXCP 10.00 AC IN           |
| sec. 7 NE;                   |          | RSVR R/W M040426;                  |
| 9 NW;                        |          | 21 SWSE EXCL 36.74 AC IN           |
| 13 SWNE, NW, N2SW, SWSW      | N, NWSE; | RSVR R/W M040426;                  |
| Phillips 680                 | .00 AC   | 21 SESE EXCL 3.39 AC IN            |
| Stipulations: Standard, TES  |          | RSVR R/W M040426;                  |
|                              |          | Phillips 825.74 AC                 |
|                              |          | Stipulations: Form 3109-1, GP-135, |
| 07-03-79                     | PD       | Standard, TES                      |
| T. 30 N, R. 30 E, PMM, MT    |          |                                    |
| sec. 11 NE, N2NW, NWSW, SESI | Ε;       |                                    |
| 12 NE, E2NW, NESW, S2S       | N;       | 07-03-82 PD                        |
| 13 S2NE, N2SE;               |          | T. 31 N, R. 30 E, PMM, MT          |
| 15 N2, SW;                   |          | sec. 13 ALL;                       |
|                              | .00 AC   | 14 NE, E2NW, S2;                   |
| Stipulations: Form 3109-1, ( | GP-135,  | Phillips 1200.00 AC                |
| Standard, TES                | ·        | Stipulations: Standard, TES        |
| •                            |          | -                                  |
| 07-03-80                     | PD       | 07-03-83 PD                        |
| T. 30 N, R. 30 E, PMM, MT    | 12       | T. 31 N, R. 30 E, PMM, MT          |
| sec. 17 LOTS 2,5;            |          | sec. 17 ALL;                       |
| 17 SESW, NESE, S2SE;         |          | 18 LOTS 1,2,3,4;                   |
| 19 LOT 2;                    |          | 18 E2,E2W2;                        |
| 19 SENW, NWSE, S2SE;         |          | Phillips 1278.96 AC                |
| ·                            | .17 AC   | Stipulations: Standard, TES        |
| Stipulations: Form 3109-1,   |          | Despusable Desired of the          |
| Standard, TES                | GE-133,  |                                    |
| Scandard, IES                |          | 07-03-84 PD                        |
|                              |          | T. 31 N, R. 30 E, PMM, MT          |
|                              |          | sec. 19 LOTS 1,2,3,4;              |
|                              |          | 19 E2,E2W2;                        |
|                              |          | 20 ALL;                            |
|                              |          | 21 W2,W2SE;                        |
|                              |          | Phillips 1679.36 AC                |
|                              |          | Stipulations: Standard, TES        |
|                              |          | •                                  |

T. 31 N, R. 30 E, PMM, MT T. 11 N, R. 35 E, PMM, MT sec. 22 E2E2; sec. 6 LOTS 6,7; 23 W2E2, W2; 6 E2SW, SE; 24 N2N2; 8 N2; 18 LOTS 1,2,3,4; Phillips 800.00 AC Stipulations: Standard, TES 18 E2W2; Rosebud 926.88 AC Stipulations: TES, Timing-1 07-03-86 PD Presale Offer: MTM 92536 T. 33 N, R. 32 E, PMM, MT 07-03-91 PD sec. 1 LOTS 1,2,3,4; T. 11 N, R. 35 E, PMM, MT 1 S2N2, S2; sec. 10 S2; Phillips 640.92 AC 12 E2; Stipulations: Standard, TES 14 W2; Rosebud 960.00 AC Stipulations: NSO-2, TES, Timing-1 07-03-87 PD Presale Offer: MTM 92535 T. 34 N, R. 32 E, PMM, MT 07-03-92 PD sec. 13 N2,SE; T. 12 N, R. 35 E, PMM, MT sec. 6 LOTS 1-7 INCL; Phillips 480.00 AC 6 SESW; Stipulations: Standard, TES 8 S2; 30 LOTS 1,2,3,4; 07-03-88 PD 30 SENW, E2SW, SWSE; Presale Offer: MTM 92537 Rosebud 908.05 AC T. 33 N, R. 33 E, PMM, MT Stipulations: NSO-2, TES, sec. 6 LOTS 3-7 INCL; Timing-1,2 6 SENW, E2SW; 7 LOTS 1,2,3,4; 7 E2W2; 07-03-93 PD Phillips 641.57 AC T. 12 N, R. 35 E, PMM, MT Stipulations: Standard, TES sec. 22 NWNW, S2NW, SW, SWSE: 24 NE, W2NW, SWSW, SWSE; 26 W2W2; 07-03-89 PD 28 ALL; Presale Offer: MTM 92538 Rosebud 1440.00 AC T. 33 N, R. 33 E, PMM, MT Stipulations: TES, Timing-1 sec. 8 NE; Phillips 160.00 AC Stipulations: Standard, TES

PD

07-03-90

PD

07-03-85

1 70

| AT 40 04                        | DD   | 07-03-99 PD                          |
|---------------------------------|------|--------------------------------------|
| 07-03-94                        | PD   |                                      |
| T. 12 N, R. 36 E, PMM, MT       |      | T. 12 N, R. 37 E, PMM, MT            |
| sec. 4 LOTS 1,2;                |      | sec. 30 LOTS 1,2,3,4;                |
| 4 S2NE, SE;                     |      | 30 E2, E2W2;                         |
| 5 SWNW, NWSW, S2SW;             |      | 32 ALL;                              |
| 6 LOTS 1-7 INCL;                |      | Rosebud 1255.16 AC                   |
| 6 S2NE, SENW, E2SW, SE;         |      | Stipulations: TES, Timing-1          |
| 18 NENE;                        |      | 202pa2                               |
| _ ·                             | 3.0  |                                      |
| Rosebud 1121.05                 |      | AF A3 4AA                            |
| Stipulations: NSO-2, TES, Timir | ng-i | 07-03-100 ACQ                        |
|                                 |      | T. 31 N, R. 45 E, PMM, MT            |
|                                 |      | sec. 32 E2SE;                        |
| 07-03-95                        | PD   | 33 SWNW, NWSW;                       |
| T. 12 N, R. 36 E, PMM, MT       |      | Valley 160.00 AC                     |
| sec. 14 W2W2;                   |      | 50% U.S. MINERAL INTEREST            |
| 20 W2;                          |      | Stipulation: TES                     |
| — - · · ·                       |      |                                      |
|                                 | •    | This parcel has fractional interest. |
| 30 E2;                          |      | <del>-</del>                         |
| Rosebud 1120.00                 | AC   | Rentals are payable on total acres;  |
| Stipulations: TES, Timing-1     |      | royalties are payable on fractional  |
|                                 |      | interest.                            |
|                                 |      |                                      |
| 07-03-96                        | PD   |                                      |
| T. 12 N, R. 37 E, PMM, MT       |      | 07-03-101 PD                         |
| sec. 6 LOTS 1-7 INCL;           |      | Presale Offer: MTM 92561             |
| 6 S2NE, SENW, E2SW, SE;         |      | T. 26 N, R. 53 E, PMM, MT            |
| 10 N2NE, NW, N2SW;              |      | sec. 2 W2SW;                         |
|                                 |      | 3 SENW, S2SW, E2SE;                  |
| 18 LOT 1;                       |      |                                      |
| 18 NE, NENW, N2SE;              |      |                                      |
| Rosebud 1233.34                 |      | Stipulations: TES, Timing-1          |
| Stipulations: CSU-1, NSO-2, TE  | S,   |                                      |
| Timing-1                        |      |                                      |
|                                 |      | 07-03-102 PD                         |
|                                 |      | T. 27 N, R. 53 E, PMM, MT            |
| 07-03-97                        | PD   | sec. 9 NWNW, SESW;                   |
| T. 12 N, R. 37 E, PMM, MT       |      | 22 SWNE, S2NW, NESW;                 |
|                                 |      | 23 SENE, SENW;                       |
| sec. 20 ALL;                    |      | 25 SWSW;                             |
| 28 ALL;                         |      | •                                    |
| Rosebud 1280.00                 | AC   | 26 SENE, NWSW;                       |
| Stipulations: TES, Timing-1     |      | 27 SENW, NWSW;                       |
|                                 |      | Richland 520.00 AC                   |
|                                 |      | Stipulations: CSU-2, NSO-2, TES,     |
| 07-03-98                        | PD   | Timing-1                             |
| T. 12 N, R. 37 E, PMM, MT       |      |                                      |
| sec. 22 ALL;                    |      |                                      |
| 24 N2NE, SENE, SWNW, S2SW       | 1.   |                                      |
| SESE;                           | •    |                                      |
|                                 | ) AC |                                      |
| Rosebud 920.00                  | , AC |                                      |

Stipulations: TES, Timing-1

07-03-103 PD 07-03-108 PD T. 27 N, R. 53 E, PMM, MT T. 14 N, R. 57 E, PMM, MT sec. 21 SESW; sec. 28 E2; 28 W2NE, NW, NWSW, S2SW, SWSE; 32 N2N2, SENE, NWSW, E2SE; 33 NWNE, SENE, N2NW, NESE, 34 NWNE, NW, W2SW, NESE; SWSE; Dawson 960.00 AC Richland 680.00 AC Stipulations: CSU-1, TES, Timing-1 Stipulations: CSU-1, TES, Timing-1 07-03-109 PD 07-03-104 ACQ T. 15 N, R. 58 E, PMM, MT T. 36 N, R. 54 E, PMM, MT sec. 4 LOTS 1,2; sec. 10 N2NE; Dawson 94.60 AC 11 NW; Stipulation: TES Sheridan 240.00 AC 50% U.S. MINERAL INTEREST Stipulation: TES 07-03-110 PD T. 26 N, R. 59 E, PMM, MT This parcel has fractional interest. sec. 25 LOT 2; Rentals are payable on total acres: 25 LOTS 3,4 EXCL 2.45 AC royalties are payable on fractional IN RR R/W MTGF065502; interest. 25 SWSW: Richland 115.93 AC Stipulations: CSU-1,2, Form 3109-1, 07-03-105 PD GP-135, TES T. 14 N, R. 55 E, PMM, MT sec. 4 LOTS 1,2,5,6,7; 4 SENE, E2SE; 07-03-111 PD 5 LOTS 10,11,12,13; T. 29 N, R. 59 E, PMM, MT Dawson 471.60 AC sec. 9 LOT 2; Stipulations: CSU-2, NSO-2,3, TES Roosevelt 15.92 AC Stipulation: TES 07-03-106 PD T. 26 N, R. 55 E, PMM, MT 4 LOT 4; sec. NORTH DAKOTA 4 SWNW, SW; 241.91 AC Stipulations: TES, Timing-1 07-03-112 PD T. 143 N, R. 105 W, 5<sup>TH</sup> PM, ND sec. 4 SESE; 07-03-107 PD Golden Valley 40.00 AC T. 14 N, R. 57 E, PMM, MT Stipulations: CSU-3, Standard, TES sec. 2 LOTS 1,2,3,4; 2 S2N2, S2; 8 N2N2, S2NE, SESW, SWSE; 12 N2 EXCL 39.54 AC IN RR R/W MTBIL039586;

1239.34 AC

Stipulations: CSU-1, TES, Timing-1

Dawson

### STATISTICS

| Total Parcels:                     | 112                  |
|------------------------------------|----------------------|
| Total Acreage:                     | 100,916.32           |
| No. of Parcels with Presale Offers | 5                    |
| Parcel Numbers                     | 07-03-86<br>07-03-87 |
|                                    | 07-03-88<br>07-03-89 |
|                                    | 07-03-101            |
| Total Acres with Presale Offers    | 2,202.49             |

# STIPULATIONS FOR OIL AND GAS LEASE AT MAF R-0, WATERLINE AND CABLE LINE LOCATED IN TOWNSHIP 27 NORTH, RANGE 1 EAST, P.M.M., SECTIONS 10, 14, AND 15, PONDERA COUNTY, MONTANA

1. Notification must be given to the following offices at least 15 days prior to initiation of any exploration within the missile complex area:

341 CES/CERR 3978 78<sup>th</sup> Street North, Rm. 11 Malmstrom AFB, MT 59402

341 SW/CC 39 78<sup>th</sup> Street North Malmstrom AFB, MT 59402

In addition, a minimum of 72 hours (excluding weekends and holidays) notification must be given to the following office when work will be done in the vicinity of the cable right of way:

Cable Affairs Office 341 CS/SCMI 6932 Goddard Drive Malmstrom AFB, MT 59402

If required, Malmstrom AFB will identify and stake the cable line.

- 2. Drilling or production of oil and/or gas wells and angular drilling toward the missile alert facility cannot be conducted within a 350-foot radius from the Air Force fee-owned area. The fee-owned area encompasses occupied buildings, a helipad, sewage lagoon, access road, utility lines and a dipole area (underground antenna cabling).
- 3. Prior to any seismographic exploration including explosive charges, give notification of intent and location of charges so adequate review and necessary security measures may be taken by the Air Force. This notification should be provided at least ten days prior to setting any charges.
- 4. Any seismographic or drilling operation may be subject to possible evacuation of personnel in the event of any incident, real or exercise, on this facility.
- 5. Prior to lessee installing any cathodic protection for any purpose permission must be obtained from the Air Force. The potential exists for lessee's cathodic protection to interfere with USAF cathodic protection on the site. USAF reserves the right to refuse permission, or, if permission is granted, to have the lessee remove, at lessee's expense, any cathodic protection which interferes with air Force's on-site protection. If permission is granted, notification of installation must be provided to 341 CES/CEOIEC and 341 CES/CEM at 39 78<sup>th</sup> Street North, Malmstrom AFB, MT 59402 at least 15 days prior to installation.
- 6. Lessee will be pecuniary liable to the United States Air Force for any and all damages resulting from the lessee's activities.

COE

07-03-01

- 7. Severance and/or disturbance of the missile cable AND/OR waterline would likely cause a catastrophic failure. The lessee will follow the rules listed below for exploration in any land area where missile cables or waterlines for Missile Alert Facility R-O are located:
- a. Blasting, drilling, and/or excavation will be positively controlled to ensure cable segments and waterlines are not disturbed in any way. The cable right of way is clearly marked.
- b. Drilling and/or excavation will not be conducted within 150 feet of any buried cable segment or waterline.
- c. Vehicles and equipment will be kept out of the 16% foot and 25 foot permanent right of way easements for the cable line and the waterlines.
- d. Since Malmstrom AFB is responsible for the maintenance, restoration and repair of the waterline, the missile cable system, right of way gates, marker posts and the 16% foot permanent easement along the cable right of way, the lessee will be pecuniary liable to the United States Air Force for any and all damages resulting from the lessee's activities.
- e. In the event the cable line requires relocating or lowering to accommodate the pipelines, sump basins or other facilities, pre-deposited reimbursement of costs will be required. The Air force will not perform any work until such sum has been pre-deposited.

### CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints.

Prior to surface disturbance on slopes over 30 percent, an engineering/reclamation plan must be approved by the authorized officer. Such plan must demonstrate how the following will be accomplished:

- Site productivity will be restored.
- Surface runoff will be adequately controlled.
- Off-site areas will be protected from accelerated erosion, such as rilling, gullying, piping, and mass vasting.
- Water quality and quantity will be in conformance with state and federal water quality laws.
- Surface-disturbing activities will not be conducted during extended wet periods.
- Construction will not be allowed when soils are frozen. On the lands described below:

| Parcel No. | Land Descriptions   |
|------------|---|
| 07-03-96   | T 12 N., R. 37 E., PMM sec. 6: Lots 1-7, incl. 6: S2NE, SENW, E2SW, SE                                  |
| 07-03-103  | T. 27 N., R. 53 E., PMM<br>sec. 28: W2NE, NW, NWSW, S2SW, SWSE<br>33: NWNE, N2NW                        |
| 07-03-107  | T 14 N., R. 57 E., PMM sec. 2: Lots 1,2,3,4 2: N2N2, S2NE, SESW, SWSE 12: N2 excl. 39.54 ac. in RR ROWW |
| 07-03-108  | T. 14 N., R. 57 E., PMM sec. 28: E2   |
| 07-03-110  | T. 26 N., R. 59 E., PMM sec. 25: Lot 2 25: Lots 3, 4 excl. 2.45 ac. in RR ROW 25: SWSW                  |

For the purpose of:

To maintain soil productivity, provide necessary protection to prevent excessive soil erosion on steep slopes, and to avoid areas subject to slope failure, mass wasting, piping, or having excessive reclamation problems.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CSU-1 (September 1998)

### CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints.

All surface-disturbing activities, semi-permanent and permanent facilities in VRM Class II, areas may require special design, including location, painting, and camouflage, to blend with the natural surroundings and meet the visual quality objectives for the area.

On the lands described below:

| : | Parcel No. | Lar | ad Descript       | tions  |
|---|------------|-----|-------------------|--|
| • | 07-03-102  | T.  | 27 N., R. sec. 9: | 53 E., PMM<br>NWNW   |
| ı | 07-03-105  | T.  | sec. 4:<br>4:     | 55 E., PMM<br>Lots 1, 2, 5-7<br>SENE, E2SE<br>Lots 10-13             |
| 1 | 07-03-110  | т.  | sec. 25:          | 59 E., PMM<br>Lot 2<br>Lots 3, 4 excl.<br>2.45 ac. in RR ROW<br>SWSW |

For the purpose of:

To control the visual impacts of activities and facilities within acceptable levels.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CSU-2 (September 1998)

### CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints:

No disturbance of riparian areas of wetlands, intermittent, ephemeral, or perennial streams and rivers would be allowed except for essential road and utility crossings.

On the lands described below:

Parcel No.

Land Descriptions

07-03-112

T. 143 N., R. 105 W., 5<sup>™</sup> PM sec. 4: SESE

For the purpose of:

Protection of riparian habitat (NDRMP - P. 20).

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CSU-3 (September 1998)

Form 3730-1 (July 1984)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT POWERSITE STIPULATION

The lessee or permittee hereby agrees:

(a) If any of the land covered by this lease or permit was, on the date the lease or permit application or offer was powersite within a filed, reserve, classification, powersite waterpower designation, or project on which an application for a license or preliminary permit is pending before the Federal Energy Regulatory Commission or effective license which an preliminary permit had been issued by the Federal Energy Regulatory Commission under the Federal Power Act, or on which an authorized power project (other than one owned or operated by the Federal Government) had been constructed, the States, its permittees orUnited licensees shall have the prior right to use such land for purposes of power development so applied for, licensed, permitted, or authorized and compensation shall accrue to the mineral lessee or permittee for loss of prospective profits or for damages to improvements or workings, or for any additional expense caused the mineral lessee as a result of the taking of said land for power development purposes. It is agreed, however, that where the mineral lessee or permittee can make adjustments of his improvements to avoid with undue interference development, he

will be permitted to do so at his own expense. Furthermore, occupancy and use of the land by the mineral lessee or permittee shall be subject to such reasonable conditions with respect to the use of the land as may be prescribed by the Federal Energy Regulatory Commission for the protection of any improvements and workings constructed thereon for power development.

b) If any of the land covered by this lease or permit is on the date of the lease or permit within a powersite classification, reserve, or waterpower powersite designation which is not governed by the preceding paragraph, the lease or permit is subject to the express condition that operations under it shall be so conducted to interfere with as not administration and use of the land for powersite purposes to a greater extent than may be determined by the Secretary of the Interior to be necessary for the most beneficial use of the land. In any case, it is agreed that where the mineral lessee or permittee can make adjustments to avoid undue interference with power development, he will be permitted to do so at his own expense.

> 07-03-08 07-03-09 07-03-10 07-03-11

**☆** US GOVERNMENT PRINTING OFFICE: 1987-181-423-54138

Form 3109-1 (December 1972) (formerly 3103-1)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT LEASE STIPULATIONS BUREAU OF RECLAMATION

The lessee agrees to maintain, if required by the lessor during the period of this lease, including any extension thereof, an additional bond with qualified sureties in such sum as the lessor, if it considers that the bond required under Section 2(a) is insufficient, may at any time require:

- (a) to pay for damages sustained by any reclamation homestead entryman to his crops or improvements caused by drilling or other operations of the lessee, such damages to include the reimbursement of the entryman by the lessee, when he uses or occupies the land of any homestead entryman, for all construction and operation and maintenance charges becoming due during such use or occupation upon any portion of the land so used and occupied;
- (b) to pay any damage caused to any reclamation project or water supply thereof by the lessee's failure to comply fully with the requirements of this lease; and
- (c) to recompense any nonmineral applicant, entryman, purchaser under the Act of May 16, 1930 (46 Stat. 367), or patentee for all damages to crops or to tangible improvements caused by drilling or other prospecting operation, where any of the lands covered by this lease are embraced in any nonmineral application, entry, or patent under rights initiated prior to the date of this lease, with a reservation of the oil deposits, to the United States pursuant to the Act of July 17, 1914 (38 Stat. 509).

As to any lands covered by this lease within the area of any Government reclamation project, or in proximity thereto, the lessee shall take such precautions as required by the Secretary to prevent any injury to the lands susceptible to irrigation under such project or to the water supply thereof; provided that drilling is prohibited on any constructed works or right-of-way of the Bureau of Reclamation, and provided, further, that there is reserved to the lessor, its successors and assigns, the superior and prior right at all times to construct, operate, and maintain dams. dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, and reclamation works, in which construction, operation, and maintenance, the lessor, its successors and assigns. shall have the right to use any or all of the lands herein described without making compensation therefor, and shall not be responsible for any damage from the presence of water thereon or on account of ordinary, extraordinary, unexpected, or unprecedented floods. That nothing shall be done under this lease to increase the cost of, or interfere in any manner with, the construction, operation, and maintenance of such works. It is agreed by the lessee that, if the construction of any or all of said dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone or telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures or reclamation works across, over, or upon said lands should be made more expensive by reason of the existence of the improvements and workings of the lessee thereon, said additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and

that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States, or its successors, constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, or reclamation works, across, over, or upon said lands; provided, however, that subject to advance written approval by the United States, the location and course of any improvements or works and appurtenances may be changed by the lessee; provided, further, that the reservations, agreements, and conditions contained in the within lease shall be and remain applicable notwithstanding any change in the location or course of said improvements or works of lessee. The lessee further agrees that the United States, its officers, agents, and employees, and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works hereinabove enumerated. Nothing in this paragraph shall be construed as in any manner limiting other reservations in favor of the United States contained in this lease.

THE LESSEE FURTHER AGREES That there is reserved to the lessor. its successors and assigns, the prior right to use any of the lands herein leased, to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures, and also the right to remove construction materials therefrom, without any payment made by the lessor or its successors for such right, with the agreement on the part of the lessee that if the construction of any or all of such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or the removal of construction materials therefrom, should be made more expensive by reason of the existence of improvements or workings of the lessee thereon, such additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States or its successors constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or removing construction materials therefrom. The lessee further agrees that the lessor, its officers, agents, and employees and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works herein above enumerated. Nothing contained in this paragraph shall be construed as in any manner limiting other reservations in favor of the lessor contained in this lease.

| 07-03-52 | 07-03-79   |
|----------|--|
| 07-03-53 | 07-03-80   |
| 07-03-54 | 07-03-81   |
| 07-03-55 | 07-03-110  |
| 07-03-56 | 0. 00 1.0  |
| 07-03-57 |  |
| 07-03-58 |  |
|          | 07-03-53<br>07-03-54<br>07-03-55<br>07-03-56<br>07-03-57 |

(continued on reverse)

To insure against the contamination of the waters of the

Reservoir,

Project, State of

, the lessee agrees that

the following further conditions shall apply to all drilling and operations on lands covered by this lease, which lie within the flowage or drainage area of the Reservoir, as such area is defined by the Bureau of Reclamation:

1. The drilling sites for any and all wells shall be approved by the Superintendent, Bureau of Reclamation,

Project,

before

drilling begins. Sites for the construction of pipe-line rights-of-way or other authorized facilities shall also be approved by the Superintendent before construction begins.

2. All drilling or operation methods or equipment shall, before their imployment, be inspected and approved by the Superintendent of the Project,
, and by the supervisor of the U.S. Geological Survey having jurisdiction over the area.

GPO 854-703

### **SPECIAL STIPULATION - BUREAU OF RECLAMATION**

To avoid interference with recreation development and/or impacts to fish and wildlife habitat and to assist in preventing damage to any Bureau of Reclamation dams, reservoirs, canals, ditches, laterals, tunnels, and related facilities, and contamination of the water supply therein, the lessee agrees that the following conditions shall apply to all exploration and developmental activities and other operation of the works thereafter on lands covered by this lease:

1. Prior to commencement of any surface-disturbing work including drilling, access road work, and well location construction, a surface use and operations plan will be filed with the appropriate officials. A copy of this plan will be furnished to the Regional Director, Great Plains Region, Bureau of Reclamation, P.O. Box 36900, Billings, MT 59107-6900, for review and consent prior to approval of the plan. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources, including cultural resources, of the United States, its lessees, permittees, or licensees, and to provide for the restoration of the land surface and vegetation. The plan shall contain provisions as the Bureau of Reclamation may deem necessary to maintain proper management of the water, recreation, lands structures, and resources, including cultural resources, within the prospecting, drilling, or construction area.

Drilling sites for all wells and associated investigations such as seismograph work shall be included in the above-mentioned surface use and operation plan.

If later explorations require departure from or additions to the approved plan, these revisions or amendments, together with a justification statement for proposed revisions, will be submitted for approval to the Regional Director, Great Plains Region, Bureau of Reclamation, or his authorized representative.

Any operations conducted in advance of approval of an original, revised, or amended prospecting plan, or which are not in accordance with an approved plan constitute a violation of the terms of this lease. The Bureau of Reclamation reserves the right to close down operations until such corrective action, as is deemed necessary, is taken by the lessee.

- 2. No occupancy of the surface of the following excluded areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.
  - a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
  - b. Within 200 feet on either side of the centerline of any and all trails within the leased area.
  - c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
  - d. Within 400 feet of any and all recreation developments within the leased area.
- e. Within 400 feet of any improvements either owned, permitted, leased, or otherwise authorized by the Bureau of Reclamation within the leased area.
  - f. Within 200 feet of established crop fields, food plots, and tree/shrub plantings within the leased area.
  - g. Within 200 feet of slopes steeper than a 2:1 gradient within the leased area.
  - h. Within established rights-of-way of canals, laterals, and drainage ditches within the leased area.
- Within a minimum of 500 feet horizontal from the centerline of the facility or 50 feet from the outside toe of the canal, lateral, or drain embankment, whichever distance is greater, for irrigation facilities without clearly marked rights-of-way within the leased area.
- j. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirement specified in Section 2 hereof. HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

| 07-03-04 | 07-03-52 | 07-03-79  |
|----------|----------|-----------|
| 07-03-07 | 07-03-53 | 07-03-80  |
| 07-03-08 | 07-03-54 | 07-03-81  |
| 07-03-09 | 07-03-55 | 07-03-110 |
| 07-03-10 | 07-03-56 |           |
| 07-03-11 | 07-03-57 |           |
| 07-03-12 | 07-03-58 |           |
|          |          |           |

- 3. No occupancy of the surface or surface drilling will be allowed in the following areas. In addition, no directional drilling will be allowed that would intersect the subsurface zones delineated by a vertical plane in these areas. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project, where the United States owns 100 percent of the fee mineral interest in said tract, or tracts.
- a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
  - b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.
  - c. Within one-half (1/2) mile horizontal from the centerline of any tunnel within the leased area.
- d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected. Reclamation <u>may</u> consider, on a case-by-case basis, waiving the requirements specifies in Section 3 hereof. HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.
- 4. The distances stated in items 2 and 3 above are intended to be general indicators only. The Bureau of Reclamation reserves the right to revise these distances as needed to protect Bureau of Reclamation facilities.
- 5. The use of explosives in any manner shall be so controlled that the works and facilities of the United States, its successors and assigns, will in no way be endangered or damaged. In this connection, an explosives use plan shall be submitted to and approved by the Regional Director, Great Plains Region, Bureau of Reclamation, or his/her authorized representative.
- 6. The lessee shall be liable for all damage to the property of the United States, its successors or assigns, resulting from the exploration, development, or operation of the works contemplated by this lease, and shall further hold the United States, its successors or assigns, and its officers, agents, and employees, harmless from all claims of third parties for injury or damage sustained or in any way resulting from the exercise of the rights and privileges conferred by the lease.
- 7. The lessee shall be tiable for all damages to crops or improvements of any entryman, nonmineral applicant, or patentee, their successors or assigns, caused by or resulting from the drilling or other operations of the lessee, including reimbursement of any entryman or patentee, their successors or assigns, for all construction, operation, and maintenance charges becoming due on any portion of their said lands damaged as a result of the drilling or other operation of the lessee.
- 8. In addition to any other bond required under the provisions of this lease, the lessee shall provide such bond as the United States may at any time require for damages which may arise under the liability provisions of Section six (6) and seven (7) above

### NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and use is prohibited within 1/4 mile of grouse leks.

On the lands described below:

### Parcel No.

### Land Descriptions

07-03-02

T. 11 N., R. 24 E., PMM sec. 8: SE

For the purpose of:

To protect the sharptail and sage grouse lek sites necessary for the long-term maintenance of grouse populations in the area.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NSO-1 (September 1998)

### NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and use is prohibited within riparian areas, 100-year flood plains of major rivers, and on water bodies and streams.

On the lands described below:

| Parcel No. | Land Descriptions  |
|------------|--|
| 07-03-91   | T. 11 N., R. 35 E., PMM<br>sec. 10: S2<br>12: E2   |
| 07-03-92   | T. 12 N., R. 35 E., PMM<br>sec. 6: SESW  |
| 07-03-94   | T. 12 N., R. 36 E., PMM sec. 4: Lots 1, 2 4: S2NE, SE 5: SWNW, NWSW, S2SW 6: Lots 1-7, incl. 6: S2NE, SENW, E2SW, SE |
| 07-03-96   | T. 12 N., R. 37 E., PMM<br>sec. 6: Lots 1-7, incl.<br>6: S2NE, SENW, E2SW, SE  |
| 07-03-102  | T. 27 N., R. 53 E., PMM sec. 23: SENE, SENW 25: SWSW 26: SENE, NWSW  |
| 07-03-105  | T. 14 N., R. 55 E., PMM<br>sec. 4: Lots 1,2,5,6,7<br>5: Lots 10-13   |

For the purpose of:

To protect the unique biological and hydrological features associated with riparian areas, 100-year flood plains of major rivers, and water bodies and streams.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NSO-2 (September 1998)

### NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and use is prohibited within 1/4 mile of wetlands identified as interior least term habitat.

On the lands described below:

### Parcel No.

### Land Descriptions

07-03-105

T. 14 N., R. 55 E., PMM sec. 4: Lots 6, 7

4: SESE 5: Lot 10

For the purpose of:

To protect the habitat of the interior least tern, an endangered species under the Endangered Species Act (ESA).

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NSO-3 (September 1998)

# UNITED STATES DEPARTMENT OF THE INTERIOR Bureau of Land Management P. O. Box 36800 Billings, Montana 59107

### OIL AND GAS LEASE STIPULATIONS

**ESTHETICS**—To maintain esthetic values, all surface-disturbing activities, semipermanent and permanent facilities may require special design including location, painting and camouflage to blend with the natural surroundings and meet the intent of the visual quality objectives of the Federal Surface Managing Agency (SMA).

**EROSION CONTROL**--Surface-disturbing activities may be prohibited during muddy and/or wet soil periods.

CONTROLLED OR LIMITED SURFACE USE STIPULATION -- This stipulation may be modified, consistent with land use documents, when specifically approved in writing by the Bureau of Land Management (BLM) with concurrence of the SMA. Distances and/or time periods may be made less restrictive depending on the actual onground conditions. The prospective lessee should contact the SMA for more specific locations and information regarding the restrictive nature of this stipulation.

The lessee/operator is given notice that the lands within this lease may include special areas and that such areas may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled, or **if absolutely necessary**, excluded. Use or occupancy will be restricted only when the BLM and/or the SMA demonstrates the restriction necessary for the protection of such special areas and existing or planned uses. Appropriate modifications to imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

After the SMA has been advised of specific proposed surface use or occupancy on the leased lands, and on request of the lessee/operator, the Agency will furnish further data on any special areas which may include:

- 100 feet from the edge of the rights-of-way from highways, designated county roads and appropriate federally-owned or controlled roads and recreation trails.
- 500 feet, or when necessary, within the 25-year flood plain from reservoirs, lakes, and ponds and intermittent, ephemeral or small perennial streams: 1,000 feet, or when necessary, within the 100-year flood plain from larger perennial streams, rivers, and domestic water supplies.
- 500 feet from grouse strutting grounds. Special care to avoid nesting areas associated with strutting grounds will be necessary during the period from March 1, to June 30. One-fourth mile from identified essential habitat of state and federal sensitive species. Crucial wildlife winter ranges during the period from December 1 to May 15, and in elk calving areas during the period from May 1 to June 30.
- 300 feet from occupied buildings, developed recreational areas, undeveloped recreational areas receiving concentrated public use and sites eligible for or designated as National Register sites.

Seasonal road closures, roads for special uses, specified roads during heavy traffic periods and on areas having restrictive off-road vehicle designations.

On slopes over 30 percent or 20 percent on extremely erodable or slumping soils.

Standard (May 2001)

See Notice on Back

### NOTICE

APPLICATIONS FOR PERMIT TO DRILL (APDS)--The appropriate BLM field offices are responsible for the receipt, processing, and approval of APDs. The APDs are to be submitted by oil and gas operators pursuant to the requirements found in Onshore Oil and Gas Order No. 1 -- Approval of Operations on Onshore Federal and Indian Oil and Gas Leases (Circular No. 2538). Additional requirements for the conduct of oil and gas operations can be found in the Code of Federal Regulations Title 43, Part 3160. Copies of Onshore Oil and Gas Order No. 1, and pertinent regulations, can be obtained from the BLM field offices in which the operations are proposed. Early coordination with these offices on proposals is encouraged.

CULTURAL AND PALEONTOLOGICAL RESOURCES--The SMA is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the SMA, shall:

- Contact the appropriate SMA to determine if a site-specific cultural resource inventory is required. If an inventory is required, then:
- Engage the services of a cultural resource specialist acceptable to the SMA to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the SMA for review and approval no later than that time when an otherwise complete application for approval of drilling or subsequent surface-disturbing operation is submitted.
- Implement mitigation measures required by the SMA. Mitigation may include the relocation of proposed lease-related activities or other protective measures such as testing salvage and recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the SMA, surface occupancy on that area must be prohibited.

The operator shall immediately bring to the attention of the SMA any cultural or paleontological resources discovered as a result of approved operations under this lease, and not disturb such discoveries until directed to proceed by the SMA.

ENDANGERED OR THREATENED SPECIES—The SMA is responsible for assuring that the leased land is examined prior to undertaking any surface—disturbing activities to determine effects upon any plant or animal species, listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened species or their habitats.

The lessee/operator may, unless notified by the authorized officer of the SMA that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resources specialist approved by the SMA. An acceptable report must be provided to the SMA identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

### Endangered Species Act Section 7 Consultation Stipulation

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any grounddisturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

THIS STIPULATION APPLIES TO ALL PARCELS

TES (5/2003)

### TIMING LIMITATION STIPULATION

Surface use is prohibited from December 1 to March 31 within crucial winter range for wildlife. This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

| Parcel No. | Land Descriptions   |
|------------|---|
| 07-03-02   | T. 11 N., R. 24 E., PMM sec. 5: SWSW 8: NW, E2SW, SE 26: W2NE, E2NW, NWSE   |
| 07-03-90   | T 11 N., R. 35 E., PMM sec. 6: Lots 6, 7 6: E2SW, SE 8: N2 18: Lots 1,2,3,4 18: E2W2  |
| 07-03-91   | T. 11 N., R. 35 E., PMM sec. 10: S2 12: E2 14: W2   |
| 07-03-92   | T. 12 N., R. 35 E., PMM sec. 30: SWSE   |
| 07-03-93   | T. 12 N., R. 35 E., PMM sec. 22: NWNW, S2NW, SW, SWSE 24: NE, W2NW, SWSW, SWSE 26: W2W2 28: All                               |
| 07-03-94   | T. 12 N., R. 36 E., PMM sec. 4: Lots 1, 2 4: S2NE, SE 5: SWNW, NWSW, S2SW 6: Lots 1-7, incl. 6: S2NE, SENW, E2SW, SE 18: NENE |
| 07-03-95   | T 12 N., R. 36 E., PMM sec. 14: W2W2 20: W2 22: N2NE, NENW, NWSW, S2S2 30: E2   |

TIMING-1 Page 1 of 3

| Parcel No. | Land Descriptions   |
|------------|---|
| 07-03-96   | T. 12 N., R. 37 E., PMM sec. 6: Lots 5-7 18: Lot 1 18: NE, NENW, N2SE   |
| 07-03-97   | T. 12 N., R. 37 E., PMM sec. 20: NWNW, S2NW, SW, W2SE 28: SWNW, NWSW, S2SW                                      |
| 07-03-98   | T. 12 N., R. 37 E., PMM<br>sec. 22: SENE, E2SE<br>24: SWNW  |
| 07-03-99   | T. 12 N., R. 37 E., PMM sec. 30: Lots 1,2,3,4 30: E2, E2W2 32: All  |
| 07-03-101  | T. 26 N., R. 53 E., PMM<br>sec. 2: W2SW<br>3: SENW, S2SW, E2SE  |
| 07-03-102  | T. 27 N., R. 53 E., PMM sec. 9: NWNW, SESW 22: SWNE, S2NW 23: SENE, SENW 25: SWSW 26: SENE, NWSW 27: SENW, NWSW |
| 07-03-102  | T. 27 N., R. 53 E., PMM sec. 9: NWNW, SESW 22: SWNE, S2NW 23: SESE, SENW 25: SWSW 26: SENE, NWSW 27: SENW, NWSW |
| 07-03-103  | T. 27 N., R. 53 E., PMM sec. 21: SESW 33: NWNE, SENE, N2NW, NESE, SWSE  |
| 07-03-106  | T. 26 N., R. 55 E., PMM<br>sec. 4: Lot 4<br>4: SWNW, SW   |

TIMING-1 Page 2 of 3

### Parcel No.

### Land Descriptions

07-03-107

T. 14 N., R. 57 E., PMM

sec. 2: Lots 1,2,3,4 2: S2NE, SESW, SWSE 12: N2 excl. 39.54 acres

in RR ROW

07-03-108

T 14 N., R. 57 E., PMM

sec. 28: E2

32: N2N2, SENE, NWSW, E2SE

34: NWNE, NW, W2SW, NESE

For the purpose of (reasons):

To protect crucial white-tailed deer, mule deer, elk, antelope, moose, bighorn sheep, and sage grouse winter range from disturbance during the winter use season, and to facilitate long-term maintenance of wildlife populations.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

> TIMING-1 (September 1998) Page 3 of 3

### TIMING LIMITATION STIPULATION

Surface use is prohibited from March 1 to June 15 in grouse nesting habitat within 2 miles of a lek. This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

| Parcel No. | Land Descriptions  |
|------------|--|
| 07-03-02   | T. 11 N., R. 24 E., PMM<br>sec. 5: SWSW<br>8: NW, E2SW, SE                   |
| 07-03-92   | T 12 N., R. 35 E., PMM sec. 6: Lots 1-7 incl. 6: SESW 8: SW 30: Lots 1,2,3,4 |

For the purpose of (reasons):

To protect sharptail and sage grouse nesting habitat from disturbance during spring and early summer in order to maximize annual production of young and to protect nesting activities adjacent to nesting sites for the long-term maintenance of grouse populations in the area.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

TIMING-2 (September 1998)

30: SENW, E2SW, SWSE